

## COMMITTEE ON COMMUNITY IMPROVEMENT

**March 16, 2004**

**5:00 PM**

Chairman O'Neil called the meeting to order.

The Clerk called the roll.

Present: Aldermen O'Neil, Shea (late), Garrity, Lopez

Absent: Alderman Smith

Messrs: R. MacKenzie, K. Sheppard, D. Anagnost, D. Dunfey,  
T. Arnold, R. Sherman

Chairman O'Neil stated why don't we address Item 4 first.

Communication from Kevin Sheppard, Deputy Public Works Director, submitting a request on behalf of Parks and Recreation to obtain three (3) vehicles from the City's Department of Aviation.

On motion of Alderman Garrity, duly seconded by Alderman Lopez it was voted to approve the request.

Chairman O'Neil addressed Item 5 of the agenda:

Referral by the Committee on Traffic/Public Safety relative to review of funding for the Old Wellington Road Signalization Project.

Mr. Robert MacKenzie stated this is the project that we worked with the neighborhood on when the City sold the parcel on Old Wellington Road. The neighborhood was primarily concerned about some of the traffic issues. Highway has done some estimates for us and we know a good solution for the area. The Traffic Committee has passed it and at this point we would just need the support of the CIP Committee to encourage the staff and the Mayor to include it in the 2005 CIP process. It is about \$100,000 and we would be recommending that that money come out of the sale of the property when that is sold through the one time capital trust, which all of that money gets deposited into.

Alderman Lopez moved to approve the signalization project and recommend that the \$100,000 come out of the proceeds from the sale of the property. Alderman Garrity duly seconded the motion.

Chairman O'Neil asked were we going to take a look at maybe doing that in-house or were we going to contract it out. Is it a combination project between Highway and the Traffic Department?

Mr. Kevin Sheppard responded the estimate we put together was based on a contract estimate. Because of a lot of the street reconstruction work we have going on we weren't too sure whether we could get that done but if it does fit into our schedule then it is something we could do.

Chairman O'Neil asked would you like us to vote to give you that flexibility. I don't know if that is necessary.

Mr. Sheppard responded I am not too sure if that is necessary but you could give us that flexibility.

Chairman O'Neil asked are you all right with that, Alderman Lopez, as part of your motion.

Alderman Lopez asked, Mr. MacKenzie, doesn't Southern NH Services get involved in this signalization somehow.

Mr. MacKenzie answered the Southern NH Planning Commission probably wouldn't in this case. They don't have any construction ability. They do more of the transportation planning. I believe at some point changes to the signalization may need approval by the state but it would still be a City project.

Alderman Lopez stated I am comfortable with it.

Chairman O'Neil asked do we need a separate motion.

Clerk Bernier responded I need clarification.

Mr. Sheppard stated Chairman O'Neil asked if we could leave the flexibility in whether it be City crews or a contractor to do the work.

Chairman O'Neil responded we would just give them the flexibility between Highway and Traffic to see if their schedules fit. If not, they can go out to contract.

Chairman O'Neil called for a vote. There being none opposed, the motion carried.

Chairman O'Neil addressed Item 6 of the agenda:

Communication from Robert MacKenzie, Director of Planning, advising of a request from the Manchester Housing and Redevelopment Authority and Richard Anagnost for financial assistance in the amount of \$1,000,000 to develop affordable housing on the Old Wellington Road Parcel.

Mr. MacKenzie stated again normally staff has some flexibility for expending HOME funds and other affordable housing funds but only up to \$300,000. This request is for \$1,000,000. I know the applicants are here – Mr. Anagnost and Dick Dunfey and his staff. We support the project. We haven't concluded that that \$1 million is the right number yet but if you would like to hear from the applicants they might explain what they are looking for.

Alderman Lopez asked, Mr. MacKenzie on the HOME funds how much money do we have for other projects and have we prioritized the projects.

Mr. MacKenzie answered we do have and that is what I would like to look at. For the HOME funds we have the Gale Home, which is under construction now. We have the Families in Transition housing, which is the mill on Second Street. We have the potential for the Brown School, although that is not moving ahead. We have not received any requests yet I don't believe for the housing project on Hanover Street where the Samascan Brothers used to be. So there are four projects that I am aware of that may need some assistance. There are HOME funds, which we will get in next year's HUD allocation. There are also funds from the affordable housing trust fund. Those would be the two sources for each project.

Alderman Shea stated just to follow-up you said there are funds. Would that preclude any of these or would that additional funding that you have allow these projects to at least get started and we wouldn't use up all of the funding for one project in this case?

Mr. MacKenzie responded we do have enough money, I think, for those four projects and potentially this project. There are fairly large amounts in the Affordable Housing Trust Fund. The HOME allocation is about \$900,000 for next year. Is that correct?

Mr. Maranto replied yes.

Mr. MacKenzie stated I believe that commitments have already been made to the Gale Home so that one is all set to go I believe. I believe, although I just would like to verify the numbers and get the list and put the numbers together at some point.

Alderman Garrity asked so you don't have a number for the housing trust.

Mr. MacKenzie answered yes. The housing trust fund is just about at \$3 million at present.

Alderman Garrity asked so we have a total of about \$3.9 million between the two funds.

Mr. MacKenzie answered yes.

Alderman Garrity asked and in your opinion would that be enough to adequately fund the four projects.

Mr. MacKenzie answered we don't know what the Brown School may be at this point. That is still perhaps a little bit of a wild card. I would also like to look at the precedent in terms of this \$1 million request. I think the largest project we have funded so far is \$650,000. That was a smaller number of units than this project, however. We do want to look at the precedence and the ability to provide other affordable housing projects.

Chairman O'Neil stated, Bob, you mentioned the Gale Home and then later you said it is not part of this year's funding. Am I correct on that? You said something like the Gale Home is all set?

Mr. MacKenzie replied yes that one is all set and not in the \$3.9 million.

Chairman O'Neil responded so the four on the table are Families in Transition, Brown School, Hanover Street and this project.

Mr. MacKenzie replied correct.

Chairman O'Neil asked and am I correct to say that three of them, the Housing and Redevelopment Authority are partners on.

Mr. MacKenzie answered that is correct.

Alderman Lopez stated just to bring the Committee up-to-date I thought that Families in Transition pulled out of Brown School. Is that correct?

Mr. MacKenzie responded the Families in Transition and Housing Authority looked at it as a joint project. It did not work out well as a joint project so we don't have a proposal on the table. I think MHRA may be interested individually in the Brown School but we haven't had the time really to look at how we would request proposals for the Brown School.

Alderman Lopez asked so on the open market if we wanted to sell it we could sell it.

Mr. MacKenzie answered yes.

Chairman O'Neil stated I have one final question before we let our guest speak. Is it safe to say that right now the Wellington Road project is probably the one closest to fruition?

Mr. MacKenzie responded excluding the Gale Home I would probably say yes that is the closest one.

Chairman O'Neil replied so there is a possibility from the planning point that Hanover Street could be a year down the road as could the Brown School. Is that correct?

Mr. MacKenzie responded yes.

Chairman O'Neil stated we know that at Wellington Road they are pretty much ready to go.

Alderman DeVries asked, Mr. MacKenzie, how about the Straw Mansion. Is that also going to be asking for any of these funds?

Mr. MacKenzie responded there are some funds in the Straw Mansion project. It is Renaissance 7 I think and that is a previous year's fund.

Alderman DeVries asked so that is all set.

Mr. MacKenzie answered yes.

Chairman O'Neil stated we will now turn it over to Mr. Anagnost.

Mr. Dick Anagnost stated I am a co-developer with Manchester Housing Authority on this parcel. To my right is Dick Dunfey, Executive Director of the Manchester Housing Authority and to my left is Commissioner Copadis. I would

just like to say a couple of things about the request just to give you some background. We have agreed with the abutters and have gone to our first Planning Board hearing and the public session was completed and closed and we will be asking for final approval next month on the site plan approval to go forward with construction of the project. We had filed a preliminary application with NH Housing and Finance Authority for bonding tax credit financing. In addition, they have committed a little over \$1.1 million to the project out of their HOME fund allocation and that hence brings us to requesting \$1 million from you because that is the balance of the gap to complete the project 100%. In addition the Housing Authority had asked for some project based assistance from HUD, which could be up to 22 units. Should that be denied, we would have an additional \$400,000 gap that we would have to make up. That is why we have requested such a high sum. To follow-up on something Mr. MacKenzie said, this is probably the largest sum that has ever been requested of you people for...I don't know if the word is affordable housing, however this is really a workforce project like Biron Street and if you look over there you will see the same types of buildings and units that will be reproduced here as well. I can tell you that Biron Street is one of the most cost-effective projects that has ever been built and we hope to follow that in the same footsteps with this project. Our cost per unit is significantly less than a lot of the other applications that you have entertained. Secondly, we are a higher concentration of units than most of the projects that you have seen in the past. We are producing 90 and I think if memory serves me correctly and if Bob's memory serves him correctly that the largest one before had 60 or 64 units.

Mr. MacKenzie responded I think the Elm Street project was \$650,000 and that was 68 units I think.

Mr. Anagnost stated the last point I would like to make is our unit mix is something that is going to hit a marketplace that has not been hit in over 30 years in the City of Manchester and that is our unit mix is 53 two-bedrooms and 36 three-bedrooms and you will find that there hasn't been workforce or affordable housing built in Manchester in over 30 years. Therefore, we are targeting a market that hasn't been serviced in a very long time. With the advent of the three-bedrooms that is an increase in the construction cost that creates the gap and that is why we are here asking for the amount of money that we are.

Alderman Shea stated I am not sure if this should be addressed to Mr. Anagnost or Mr. Dunfey but how does this process work. In other words, you receive \$1 million from the Manchester Housing Authority and what happens? In other words do you pay them back? Do they use the money? How does it work?

Mr. Anagnost responded the first mortgage on the property, Alderman Shea, would be a bond that the State of New Hampshire would essentially issue for the

first mortgage financing. The second position would be the loan from NH Housing and the loan from the City of Manchester. Those loans are paid back in different pay back schedules. It depends on the project cash flow. For instance, on Biron Street the City of Manchester doesn't receive any money for five years I believe. The typical scenario is the City of Manchester starts being repaid its bond at the end of five years and then takes it out and I believe it balloons in the 15<sup>th</sup> year. I think it balloons in 15 and goes out to 20 years until it is paid in full. So it is paid from project cash flow, it is just a matter of when it starts. Mr. Maranto is asking for a cash flow and we have not produced the whole 15 years yet because we just filed that preliminary application but that will show the cash flow of the project and what the available monies are and then the monies are structured based on the cash flows of the project.

Chairman O'Neil asked am I correct that you are a partner with the Housing and Redevelopment Authority. I don't know what the exact make-up of the partnership is but both entities are partners in this project right?

Mr. Anagnost answered correct. We are joint venturing – the Housing Authority owns 50% of the project and I will own 50% of the project. Naturally, we will bring in a limited partner who will provide the equity for the tax credit funding.

Chairman O'Neil stated I know they are participating on Biron Street but I don't know if they are a partner on Biron Street.

Mr. Anagnost responded they are not.

Chairman O'Neil stated so this is the first time we have had a public/private partnership like this.

Mr. Anagnost responded yes. This is a true joint venture with a joint venture agreement and actual ownership by both entities.

Mr. Dick Dunfey stated I would just note that we are participating in the Biron Street project to the extent that we are site based Section 8 assistance at that endeavor.

Alderman Lopez stated it says the form of the loan and the interest rate is to be determined by property projections. What time is that? You mentioned five years at Biron Street. Is that the same type of loan that we are talking about here?

Mr. MacKenzie responded we haven't really concluded those discussions. We would like to see the cash flow analysis first but there would likely be some form of a deferred loan program but we haven't concluded that.

Alderman Lopez asked is this your last step of financing.

Mr. Anagnost answered pretty much. The NH Housing Authority has committed HOME funds to the project. We filed a preliminary application, which still needs to be approved by the Board but it meets all of their parameters.

Alderman Lopez asked what is your completion date after the financing.

Mr. Anagnost answered well hopefully we will get our final approvals in April from the Planning Board. We would close probably in June and 10 months after that I would be renting a unit just like we did at Biron Street.

Alderman Lopez moved to approve the request for financial assistance in the amount of \$1 million. Alderman Garrity duly seconded the motion.

Alderman Lopez stated I will make the motion but I also want to give Mr. MacKenzie the flexibility to review the complete process before the funds are released. Would you help me out on that Mr. MacKenzie?

Mr. MacKenzie responded we would like to review the cash flow and make sure that the negotiations are correct. I am not sure if you want us to bring back a final number in terms of the loan or do you want us to execute it?

Alderman Lopez replied I want you to execute it but I want you to have that opportunity before you release the funds.

Chairman O'Neil asked by doing that do we slow up the project.

Mr. Anagnost answered no. I think Mr. MacKenzie can move fairly quickly. We will get him the information within the next three to four days and after he reviews it you can then determine where we go from there.

Chairman O'Neil asked what is the follow-up process then back to the Committee. Just for informational purposes we are approving this subject to or we are approving it?

Mr. MacKenzie answered you would be approving it now as I understand the motion subject to final review by the staff of the terms of the loan and the exact amount of the loan.

Chairman O'Neil responded my understanding is this report will go to the full Board tonight. You are comfortable with that?



Mr. MacKenzie replied yes.

Alderman Garrity stated I would like to ask Mr. Dunfey to give us a review on what kind of dent this is going to put into the need for this type of housing in the City.

Mr. Dunfey responded as I have said before in these chambers more than once, these units are desperately needed. At last check, which was this afternoon, I have 5,900 and counting on the waiting list and we are talking about 90 affordable units. That doesn't put a huge dent in 5,900 but it helps. It helps a lot in relative terms because that is a significant number of units to add to the low income, affordable inventory in Manchester so we review it as a very positive thing in that sense.

Alderman Shea stated Mr. MacKenzie in reviewing this one has to understand that there will be an impact on...if there are three-bedroom units being built obviously those will include families with children and that will impact, I would assume, the area around where this is being built. That is to say the school population. I really think that we have discussed this in the past and I hate to bring it up but the Master Plan really has to start being developed so that we know the impact that this is going to have on other City services when we continue to build this type of housing. Obviously I think that is very critical. I don't know if you want to comment.

Mr. MacKenzie responded I did just want to clarify that it is my understanding and I would like them to clarify this that they would be both paying full property taxes on this project and that they would be paying the school impact fees that would go towards building capacity for the schools. If I could put them on the spot and have them comment on that.

Mr. Anagnost replied it is to be a fully taxed project and we are planning to pay the impact fees to the schools. Just as a further point of clarification, Alderman Shea, I have done a study on this project based on the average kids per housing unit and I would like to turn it over to you at some point because this project will probably turn out about 35 children even with the three-bedrooms. It is .21 children per two-bedroom and that ramps up with a three-bedroom at .67 children per 100 units. If you figure out the numbers, it is roughly 32 school children.

Alderman Shea responded but there would be no limit as far as the number of people that could move into these units if they were, in fact, qualified. That wouldn't limit the amount of children would it?

Mr. Anagnost replied no it doesn't limit the number of children.

Alderman Shea stated you are doing statistical analysis but in the world of reality that isn't always possible to ascertain. You have to realize that Manchester is a growing community and there are needs that you are explaining and obviously I would assume that you are predicating the housing on the needs of the community and, therefore, you would not refuse people that have larger families.

Mr. Anagnost responded by way of an additional analogy and to address further Alderman Garrity's question if you were to look at Biron Street on February 15 the first 30 unit building came on line and this past Friday the second 30 unit building came on line, which gave me 60 available certificates of occupancy. I have 49 leased with signed leases and 64 applications in process for the remaining balance of 11 units. If that doesn't show you a demand in less than a month...out of those we have two school children.

Chairman O'Neil called for a vote on the motion to approve the request for financial assistance in the amount of \$1 million subject to final review by CIP staff on amount, terms and length of loan with related resolutions to be submitted to the Board at a later date. There being none opposed, the motion carried.

Mr. MacKenzie stated what we can do is we take this as meaning the Committee supports up to \$1 million and we would like to come back at a later meeting to have a specific amending resolution for this project. It could be up to \$1 million but it might be something less. Is that clear?

Chairman O'Neil responded yes.

Chairman O'Neil stated we have a couple of items of new business before we get into Memorial High. Mr. MacKenzie, you have something regarding the Senior Center. Are you ready?

Mr. MacKenzie responded yes I am ready. We are at a point in the construction where the Highway Department is overseeing the project. We have to make some decisions with respect to what is finished on the project. What we are requesting is that the Committee and then the Board authorize that the contribution authorization be raised from \$300,000 to \$500,000. We have had commitments so far of roughly \$250,000 but we need to raise this particular limit so that we can receive more contributions. This again would allow the senior center to proceed and work on the entire building. There will still be perhaps some additional money needed later for furniture and fit up but we are reviewing that as part of the 2005 CIP program.

Alderman Lopez moved that the Board authorize expenditure of funds in the amount of \$390,000 (Other) for FY2003 CIP 811103 Senior Center Planning Project, and for such purpose a resolution and budget authorization have been submitted. Alderman Shea duly seconded the motion.

Alderman Garrity stated I am a little confused here. It increases the budget by \$390,000 from private donations?

Mr. MacKenzie responded this would be raising the amount, which was...there were \$300,000 in private donations before. This would raise private donations by another \$200,000, which was the goal of the group that David Nixon was leading - \$500,000.

Alderman Shea asked, Mr. MacKenzie, each time we allow this to be done is there a cap or can you come back again and say we have been very successful and private industry is willing or individuals are willing to donate more so it can go as high as whatever.

Mr. MacKenzie answered that is correct. We do try to not be...the reason we had a lower number before, \$300,000, is that we didn't know the extent to which contributions would come in so we tried to keep a cap on that that is fairly realistic but yes it could go over \$500,000 if there were other people willing to donate.

Alderman Shea responded and there is no reciprocal kind of thing...in other words I know that sometimes when there are matching funds and some type of fundraiser if you give \$500 we will give \$500. That is not the case here right?

Mr. MacKenzie replied there are no matching provisions required.

Chairman O'Neil called for a vote on the motion. There being none opposed, the motion carried.

Chairman O'Neil stated the only other item I have before we go to the Memorial project is Alderman DeVries has been working to try to restore the Crotty monument, which was a Pine Island Dam. The plaque was first missing and then the whole thing, the base and everything got knocked over. A number of departments like the Airport, Parks & Recreation, Highway and the City Clerk's Office have been working with Highway and the City Clerk kind of taking the lead. They have identified that to install a new base and plaque in honor of former Alderman Crotty there is approximately \$3,600 needed to do it. The recommendation is to move it out near the bridge so it can be seen by people walking by, as well as possibly by vehicular traffic. In discussion earlier with Mr. MacKenzie and with Mr. Sherman the recommendation is the appropriate place

for the funding for this would be contingency. It would be appreciated if we could act on this tonight so they can order the plaque. They are trying to meet a timeline of the end of May to possibly rededicate it to Alderman Crotty.

Alderman Garrity asked what is the balance in that fund.

Mr. Randy Sherman answered just over \$134,000.

On motion of Alderman Garrity, duly seconded by Alderman Lopez it was voted to approve the transfer of \$3,600 from contingency to the Highway Department for the purchase and erection of a plaque in honor of former Alderman Richard "Dick" Crotty.

### **TABLED ITEM**

Discussion of the Clem Lemire Sports Complex – Memorial High School and for such purpose resolutions and budget authorizations have been submitted.

On motion of Alderman Shea, duly seconded by Alderman Garrity it was voted to remove this item from the table.

Mr. Ron Ludwig stated we are here tonight to update the Committee on the Clem Lemire/Memorial High School project. To my right is Ken Costello from the consulting firm of Kaestle-Boos Associates who has been a consultant right along. They have done the master plan and have been assisting with the process right along. Also with me is Kevin Sheppard from the Highway Department. Where we are at this point is as the Committee knows we were authorized in last year's CIP request to expend up to \$1.1 million. That is why you probably see that work has commenced there at the site approximately two weeks or so ago. To date what we expect to be done is to authorize work that has involved the Highway Department having a new sewer going underneath the field from the north end of the field extending to a southerly direction and connecting back into Jewett Street, which effectively means that the sewer will be new under the new playing surface so we are assured that there are no problems there. Additionally, authorizations have been given to companies to go out and basically do construction documents for things that have long lead times, such as bleachers and other items of that nature. Beyond that we have extended no funds and that is why we have on the agenda tonight an additional \$4.4 million. The focus right along has been on the core as you see in the colored areas of the chart and I am going to let the consultant speak to that in a moment. Basically the core area of the field includes the actual field and track, home bleachers for about 3,000, field lights and also some parking to the west of the existing football field. That number we will

probably be getting within days if everything works out here, a GMP on. The balance of the dollars we do not have figures on. They are presently in the process of doing design work on the three buildings, which is the concession and the toilet facilities at the bottom of the slope, the track storage building and also the team rooms, which also include official rooms on the southwest corner of the area. Aside from that, just to speak a little bit about the timeline it is tight and that is why we are here tonight to try and get the project moving along so we can get final approval for bid documents to contractors as soon as April 7. That having been said, Gilbane our construction manager is still indicating that the people that we bring on board would be able to get the field to practice on for mid-August (August 15 or 20). No one has indicated any different to us at this point that those dates weren't possible. The rest of the items, the additional items that would follow like the bleachers, the lights and those kinds of things would also fall at a later date probably into the fall. So, if there is a question out there that exists – could we play a game I would expect that we could play something at a level of a JV game that wouldn't attract a large crowd necessarily but Memorial's other games that would attract a larger crowd would probably have to be moved to West or another facility. That is just a brief summary of where the project is at. Again, we are looking for approval of funds to be able to move the project forward. We are on a strict timeline now but it looks like we are heading in the right direction. With that, Ken Costello is here and he could either go through the visual or answer any questions.

Chairman O'Neil stated before we do that my understanding is that we need to send this to the full Board tonight to lay the resolution on the table. It needs to be laid on the table at a regularly scheduled meeting of the Board. We then can approve it in the first meeting in April and by approving it at the first meeting, which I believe is April 6, Gilbane will hold their price. Is that correct, Kevin?

Mr. Sheppard answered yes.

Chairman O'Neil stated that is why it is tonight and we need to get it to the full Board tonight.

Mr. Ken Costello stated the \$5.5 million project consisted of a stadium that is accessible for use for a Friday night football game is the direction that we came up with in the master plan. It includes a new 450-meter track, a synthetic field, a home stand for 2,000 and grandstands for 2,000, pole vault, long jump, shot-put, discus and parking for 120 cars. The team room/restroom building with officials room is located, as Ron said, on the southwest corner and the other two buildings being designed right now is a storage building and a concession/restroom building on the northeast corner. All of the improvements you see colored in here include handicap accessible walks from both the Southside Middle School and the high

school down the slope to the parking lots and to the field with other landscaping improvements. Does anyone have any questions?

Alderman Lopez asked just for the record the School Department made this their number one priority.

Mr. Ludwig answered yes they did.

Alderman Garrity asked for funding are we going to...

Chairman O'Neil interjected why don't we stick with design and construction and for funding we will bring up Mr. Sherman and Mr. MacKenzie. If we could stick for now with the consultant for the actual construction and what will happen there...

Alderman Shea interjected I am not quite sure if I should ask this gentleman but the baseball area and the soccer field now used by both the boy's and girl's, which I believe is on the southwest corner that will remain as it is with few improvements or no improvements. How is that fitting in with this overall plan?

Mr. Costello responded with no improvements. That was part of a later phase of the Master Plan. The intention was to always keep that on line to allow physical education classes for the school.

Alderman Shea asked and the area that is almost to the east of Southside but a little bit north of where your diagram is is a larger area that obviously...is that scheduled for some type of future development possibly. That is a lot of land there that could be utilized.

Mr. Costello answered that area was master planned for two softball fields and a discus throwing area also with a javelin throwing area. That was Phase II of the Master Plan. There has been some fill brought in from the excavation at Central High School. The intention is to have that developed at a later date.

Alderman Shea asked that would be at a later time.

Mr. Costello answered yes. That is not within the \$5.5 million.

Chairman O'Neil stated if I recall by moving with the program that is being advised we are actually speeding up that first phase if you want to call it that from two years out because we were looking at two years of funding just to do the track surface and the synthetic without any of the support facilities so it would probably add another two years on top of that. So, we are actually accelerating the program

by doing it this way and hopefully when we get done this we can take a look at the other improvements needed. Am I correct to say, Ken, that we can't do anything to the north anyway because that is kind of the operations area for Gilbane right now for the school improvement program?

Mr. Costello responded correct. Gilbane's trailers are currently there. They will be there for the duration of the school project.

Chairman O'Neil stated and that is another two and a half or three years I think.

Mr. Costello stated they will also be using that area to access Memorial High School for some of their work.

Alderman DeVries stated that is only part of the total project. The total project, I believe, was \$7.6 million. This is the amount that the School Department was able to absorb the debt without exceeding their debt limits currently and that is why we scaled back the project to what you see before you. We still have work to do in future years after 2007 to address the other phases.

Alderman Shea stated I don't want to forget that phase because I think that this part of the City and I know Alderman DeVries and I as well as Alderman Garrity would all feel the same that this is an area of the City that is last on the totem pole so to speak. The other areas have obviously been...from Livingston to West Memorial and this is very critical and very important. I really feel that there should be developments in that area in the future because there are so many youth programs in that area – the Sabres play there and so forth and we really have to do something within the next five years in order to accommodate all of the needs of the people in this section of the City. This is where the bulk of the people in the City live and this is where the impact of schools and everything else is being felt so the people here paying taxes should get their fair share.

Chairman O'Neil stated I believe we can classify this, Alderman Shea, as a win for all.

Alderman Shea responded exactly Mr. O'Neil.

Chairman O'Neil stated I have brought up on numerous times the synthetic turf issue. We had the firm that was installing go bankrupt. Where do we stand with all of that and I don't know if Mr. Costello is aware but I know the departments are aware of a letter that I sent out last week. Where are we with the turf, the recommended product, etc.?

Mr. Costello responded as you said SRI was the approved manufacturer of both the track and the field product. They did go bankrupt. We looked at the other two qualified bidders – Sprinturf and Field Turf. We reviewed both of their products with them. Both companies came in and gave us additional presentations on their product. We have heard from Parks and Recreation...there is a lot of concern because of what happened to SRI and the request was made to look at a third party warranty. There is one company out there that has that. Field Turf currently has a third party warranty. We have had as late as 3:30 PM today we have had information from Sprinturf that they are negotiating with two companies interested in quoting a third party warranty. They are estimating it is a 70/30, 60/40 shot for them to get it and it would take approximately 30 to 40 days after a letter of intent had been signed. If we need to make a decision today, the only company that has that third party warranty is Field Turf. Both products meet the specifications. Both products are quality products. We consider them a quality safe product. There is a cost differential between the two. Field Turf's product with the track and the field is about \$168,000 more than Sprinturf.

Chairman O'Neil asked that is apples to apples.

Mr. Costello answered no. That is without a warrant from Sprinturf. Their warranty they feel will cost around \$10,000 so it would be \$150,000 or somewhere in there.

Alderman Lopez asked what is that \$150,000 for.

Mr. Costello answered it is basically the difference, the delta between Field Turf's price who has the third party warrant and Sprinturf who does not have the third party warranty in place as of yet. They are striving to get that in place. Both products meet the specification and we feel are quality, safe products.

Alderman Lopez stated one went bankrupt, we all know that, and there are two involved now. Now these two companies involved, did they bid on the process before?

Mr. Costello answered yes.

Alderman Lopez asked both of them.

Mr. Costello answered yes.

Alderman Lopez asked Tom can we negotiate with any one of them.



Deputy Solicitor Arnold responded I would have to look at the procurement code but I would assume that you would want to go to the next lowest bidder. Under the procurement code you negotiate with the lowest bidder, however, if I recall correctly there is a special ordinance dealing with school projects.

Chairman O'Neil asked but they are not actually negotiating with the City. They are negotiating with the contractor.

Mr. Costello answered the construction manager.

Alderman Lopez stated so you are negotiating for...

Chairman O'Neil interjected all we are looking for from Gilbane is a guaranteed maximum price. How they get there is their business.

Deputy Solicitor Arnold stated that is why I point out that there is a special ordinance dealing with school projects.

Alderman Lopez asked Mr. Ludwig do you want to weigh in. Are you satisfied with all of that? Are you in agreement?

Mr. Ludwig answered again as the consultant has recommended, Alderman Lopez, especially in light of SRI's failure all of the sudden this third party guaranty has become essential. We have given Sprinturf every opportunity to date to come up with it and they haven't been able to do that. If you want to give them some additional time that is your call but to date all we can present to you is what we have on the table and that is basically one offer in place that can get a third party warranty.

Alderman Lopez asked and all three of you gentlemen are in agreement then.

Mr. Ludwig answered well I am.

Chairman O'Neil stated number one I don't think we should be having this debate tonight because I think we are all in favor of moving forward with the project. I think this continues to be an issue. I think Sprinturf has failed to be able to provide a third party warranty. We are going to be the guinea pig on it. I am very concerned with this particular product line that we keep going with low bid on it because we have been burned on it before. I reached out to the closest place where it has been installed – Southern NH University and you all have seen my notes on why they went with what they did. It is a better product in their mind. I don't want to hold up the project. I think this issue of turf we might have a couple of weeks to discuss I think but I particularly don't like us being the guinea pig on

new firms. They don't have an experience with warranties. They are trying to get one. They don't know if they can get one. My personal opinion is I don't want to see us ever fall into what happened with Gill. We went with the low price with Gill, almost with Memorial and with West and we have to live with that decision now.

Alderman Lopez stated I agree with you wholeheartedly and if this other company is not cooperating or whatever the case may be then we should just continue with the third party here and get the guarantee on the things that we need a guarantee on. I don't have any problem with Field Turf. In your explanation, as far as I am concerned, there is only one party to deal with and as long as they clear it through the City Solicitor I am fine.

Alderman Shea moved to recommend that the project move forward as outlined, duly seconded by Alderman Lopez it was voted to move forward with the project.

Chairman O'Neil stated why don't we let you gentlemen go now and bring up Mr. MacKenzie and Mr. Sherman. Mr. MacKenzie, I know there has been a lot of discussion amongst staff and the Mayor on how this \$5.5 million would fit into our CIP budget. Why don't you let us know where those discussions have gone?

Mr. MacKenzie responded sure. First of all you have to recognize and there might have been some misconceptions about this. The \$4.4 million added here would be coming out of the City's future bonding capacity. I know there was some initial belief, I think, that it was coming out of the school project but no it would come out of our future bonding capacity. The debt service would be paid by the School Department but it would come out of the City's overall debt capacity. We are operating under debt guidelines of...we can expend about \$10 million a year in bond amounts. The Mayor has been reviewing this issue. He supports this project and we have reviewed different ways with him that he could incorporate this \$4.4 million into this proposed CIP budget. His proposed CIP budget will be coming out just about two weeks from now. He has indicated that he supports the project and has worked his numbers around that project.

Chairman O'Neil asked can you talk a little bit about the discussion...we talk about bonding of \$10 million a year but I know you have talked about whether we should look at this as \$4.4 million over two years.

Mr. MacKenzie answered initially we looked at trying to phase the project over two years. Realistically we will get the best price on this project and the quickest turnover so it can be used if it is done this summer so that in order not to have to fund it over two years we are actually looking at and having the Mayor examine a proposed two year bond budget of \$20 million because there are a lot of other

bond requirements needed by the City. \$4.4 million would be almost half of an annual allocation. By looking at a two-year bond budget he believes that we can both proceed with this project and do the other projects needed in the City.

Alderman Garrity asked so the two-year bond budget is that a go or is it all going to be funded under FY05.

Mr. MacKenzie answered it will be technically expedited so we will actually put it so that it can happen by April 7 as an expedited FY04 CIP project but it will be coming out of our future bonding capacity that we have.

Alderman Garrity asked is it going to be a two-year bond or not.

Mr. MacKenzie answered it will be a 20 year bond.

Alderman Garrity asked I mean the budget that you were talking about.

Mr. Randy Sherman responded right now the way the Mayor is putting together his CIP plan he is looking at presenting his bond projects for the next two-year period.

Alderman Lopez asked so that means that in the budget of 2006 we will not have any bonding capacity for CIP projects.

Mr. MacKenzie answered I am going to let Randy add to that but yes this Board will be here for two years. It will give departments two years to conduct all of these projects so I think they will appreciate it but the Board will have to be restrained in their future bonding capacity. I do want to have Randy talk about it because he is looking down the road in terms of the City's bonding capacity.

Chairman O'Neil stated for larger projects that has not been unusual for us. Didn't we do the fire station over a couple of years?

Mr. MacKenzie responded typically we do many projects...because they are much more complex now projects take two years or sometimes three years to do so having a two year window of bonding will allow the departments more flexibility in actually getting it done.

Chairman O'Neil replied but in theory we have been somewhat doing that. Some of our parks project have been multi-year, multi-phases and some of our building projects and some of our large capital purchases in fire equipment have been multi-year so we have been somewhat doing this anyway.

Alderman Lopez stated yes we have had a five year program in order to put money into CIP and into these projects so the projects could be accomplished within three, five or seven years. My question...I don't have any problem with the twenty year bond if you are going to spend all of the money for 2005 and 2006. The only thing is when CIP comes along I would be interested and you can explain it in more detail later but what about the priority of projects in the \$20 million because I know you had a list at one time and how long are these other projects going to suffer? That will be another subject for another day.

Mr. Sherman replied we have kind of been encouraging this two year plan because Manchester has really moved into a different category as far as an issuer of debt. There used to be a point where we would run out and borrow \$5 million and we don't do that any more. That is just not the way the City operates. Even doing a two-year plan we are not sure we would go out and borrow \$20 million. We may even wait until we get into a third or fourth year and make it a larger project but what we typically do when we come up with the estimate that we give Bob and his staff as far as what is really available is we look at a number of things. We look at how we are paying our debt off. We look at debt per capita that is outstanding. We look at how much of your tax revenues go to pay debt. We look at a number of things and within the next month or so I know the Mayor wants to have a meeting where we come in and put all of those graphs up on the board so you can see everything and exactly where you are. It is much easier if you can see the graphs but as far as whether you have additional capacity moving down the line, the numbers that we have run right now are based on current outstanding debt and again projecting forward. On tonight's agenda you actually have two refunding resolutions that we are asking you to pass. One of them is actually on the school project that we just sold last summer. The other one is on the 1998 and 2001 bonds. Nobody ever thought the interest rates would go lower but they have so we have the opportunity to do a refunding there. Now when we do that refunding what that then does is we will go back and throw that into all of the calculations. That then opens up capacity for future projects. As your population grows, capacity opens up. As your assessed valuation grows with a revaluation, capacity will open up. Once we get some numbers...you know every year we go back and relook at it but where we are right now is \$20 million. Come revaluation or come doing the refundings we will go back and look at that and there is a possibility that there will be more capacity there.

Alderman Shea stated Randy you mentioned that now is the time to borrow and the rates are lower. How long do you anticipate that being the case? Is it going to be for the next couple of months or do you just jump in and say the sooner we do something the better?

Mr. Sherman responded the sooner you do something the better. We would all be very rich if we knew exactly how long it was going to be there but the Fed held the rate again today I believe so that leaves that window there a little bit longer. We would expect that we would get the resolutions in tonight for the refunding. I am going to ask the Mayor and City Clerk if we can put it on for its second reading when the Mayor presents his budget so that way by the end of March we are ready to go. The official statements hopefully will be ready by the end of the week and within the next two or three weeks hopefully we can get that refunding done and take advantage of where the market is right now.

Alderman Shea asked Bob is there a certain percentage of \$20 million that the City would tend to look at kind of in abeyance for the FY06 budget. In other words I know that requests come in from different departments but there is...in other words we will tend to spend say 60% in 2005 and 40% in 2006 or 70%/30% or whatever? Do you have that sort of a game plan in mind so that would alleviate some of the concerns maybe?

Mr. MacKenzie responded we won't have too much money in 2005 and 2006 primarily because of this Memorial field project. Again, it probably doesn't matter too much because they will not be issuing bonds annually. They will just be issuing say \$20 million in two years. So the rate of cash flow will not really matter too much. Is that a correct statement, Randy?

Mr. Sherman replied yes.

Alderman Lopez asked Randy let's work on the basis of a \$20 million bond. Let's work on the basis that ABC project gets accomplished and there is \$6 million that hasn't been used for example. Can that money be used at any time without opening the budget again in that two-year period?

Mr. Sherman answered yes. What you are authorizing is really a funding mechanism for \$20 million worth of projects. Any time that you have a Project B that doesn't get off the table and never goes anywhere...we haven't sold the bonds yet so that capacity...you could rescind that bond and use it for something else. Now once we have sold the bonds now you have a little bit of a restriction on the use of those bonds because certain projects have only a five year life and others have a twenty year life so you can then only use those bond proceeds for a project with a similar life. If we go out and we bond Memorial field for \$4.4 million and you have \$1 million left over...it is probably not going to happen because I think they have good numbers but let's say you have \$1 million. I can't take that \$1 million and use it to buy computers because they don't have a similar life but I could take that \$1 million and move it to another park or move it to streets or something like that. So it really depends on whether we have sold the debt or

haven't sold the debt but as Bob said we are probably not going to be out selling this debt for a couple of years so again even though you may authorize a project or you may say okay we have authorized \$20 million of a CIP plan, we don't necessarily have to start that project or authorize that bond and that would hold that capacity.

Alderman Lopez asked do you know how much money in bonding has been requested throughout the City.

Mr. MacKenzie answered the requested amount certainly does exceed \$20 million. It does each year. What we did do though is we didn't just take all of the 2005 projects and say we are going to fund that over 20 years. What we did was we looked at all the requests from each department for 2005 and 2006 so that if we are looking at Granite Street, for example, we looked at Highway's request for 2005 and 2006 and made a reasonable judgement as to what would cover that entire project. So what the Mayor will be recommending will recognize what the departments need for that full two years. We are not just saying let's take all of the 2005 requests and use up all of the money over two years.

Chairman O'Neil stated I know as you said Alderman Lopez that we will have the discussion about the framework for the two year CIP budget as we move forward but specifically on the Memorial project we have a motion by Alderman Shea duly seconded by Alderman Lopez to refer it to the full Board tonight to lay the resolution on the table.

Chairman O'Neil called for a vote. There being none opposed, the motion carried.

Chairman O'Neil stated again I just want to voice my concern about the warranty issue. I think it needs to be addressed. We have been burned once. I don't want to see us burned a second time. I don't believe they are apples to apples. It is like buying a small pick-up truck versus a large pick-up truck or a 3/8" sheetrock versus 1/2" sheetrock. They are both sheetrock but they are not...what serves us better? In my opinion based on the research I have done the other product serves us better. I don't want us to be the guinea pig. We have gone with low bid and we have been burned on it. I would ask...I don't know if we need a motion on that but I would ask that staff look at that. It should not hold up moving things forward and it should not hold up the guaranteed maximum price but I think we need to look at it. I am personally very concerned about that issue. I don't know if we want a motion just to say ask them to take a look at that and have them report back to us.

Alderman Shea moved to have City staff further research the two companies bidding on the turf and get back to the Committee with their recommendation. Alderman Garrity duly seconded the motion.

Chairman O'Neil called for a vote. There being none opposed, the motion carried.

### **TABLED ITEMS**

7. Derryfield Country Club Project.

This item remained on the table.

8. Derryfield Park Rehabilitation Phase II.  
*(Tabled 10/14/2003.)*

This item remained on the table.

9. Communication from Kevin Sheppard submitting a draft policy/procedure for Fleet Management/Motorized Equipment.  
*(Re-tabled 11/25/2003. Vehicle Usage Survey enclosed.)*

This item remained on the table.

10. Communication from Robert MacKenzie, Planning Director, regarding a request that the City consider making various safety and aesthetic improvements along Dean Avenue at a cost of \$9,800.  
*(Tabled 11/25/2003 pending review by Public Works.)*

This item remained on the table.

11. Copy of a communication from Mr. Jabjiniak to Drew Weber regarding the relocation of Singer Family Park Field.  
*(Tabled 12/09/2003.)*

On motion of Alderman Shea, duly seconded by Alderman Lopez it was voted to remove this item from the table.

On motion of Alderman Garrity, duly seconded by Alderman Shea it was voted to refer this item to the Special Committee on Riverfront Activities and Baseball.

Chairman O'Neil stated my understanding is that staff will be coming back maybe within a month on the country club. I think things are starting to fall into place on that. We should be seeing that shortly. I know that on Item 9 Mr. Dillon had

asked that that stay on the table. He was going to be away this week. He is certainly very well represented by Deputy Director Farren but Michael probably does not want to get into the middle of this discussion. Mr. MacKenzie, any idea what we are doing with Item 10?

Mr. MacKenzie responded I do know that the Highway Department, specifically Bruce Thomas, is looking at the request.

Mr. Sheppard stated I have a quick update on that project. We are verifying some of the numbers. I believe the lighting that was proposed was not an Amoskeag fixture, which is typical of downtown. We are trying to verify some pricing on that through electricians and hopefully we will have a report at the next meeting.

There being no further business, on motion of Alderman Shea, duly seconded Alderman Garrity it was voted to adjourn.

A True Record. Attest.

Clerk of Committee